

## LEASE AGREEMENT

This Lease Agreement made this \_\_\_\_ day of August, 2009, by and between Michael E. Halleck and Sandra S. Halleck., as lessors, and the Town of Frederick, Colorado, as lessee,

WITNESSETH, in consideration of the covenants herein, it is agreed:

1. Lease of Premises. The lessors hereby lease to the lessee, and the lessee hereby leases from the lessors, the land and all appurtenances located at Frederick Colorado, ("Leased Property") more fully described as follows:

Portions of Lots 5 and 6, Halleck Subdivision, Frederick, Colorado, as amended

2. Condition of Property. Lessee has examined the property and accepts the same in present condition. Except as otherwise provided in this lease, lessee shall return the property to lessors upon expiration or termination of this lease, in the same condition as received, ordinary wear and tear excepted.

3. Term. Subject to annual appropriation, the term of this lease shall be indeterminate except that either party may terminate the lease on thirty (30) days written notice.

4. Delivery of Possession. The lessee shall be entitled to possession of the leased premises at noon on the date of commencement of the lease term. At the expiration or termination of this lease, lessee shall peaceably and quietly quit and surrender to lessors the premises in good order and condition subject to the other provisions of this lease.

5. Rental. In consideration for use and possession of the premises, lessee promises to make monthly payments of one thousand five hundred dollars (\$1,500.00) beginning on August 1, 2009. Payments to be payable within thirty (30) days of lessee's receipt of an invoice from lessors.

6. Use. The lessee may use and occupy the Leased Property for any lawful purpose except that lessee will not erect any structures and will not dump street sweepings on any of the lots. Lessee shall not use or occupy nor permit the Leased Property or any part thereof to be used or occupied for any unlawful business, use or purpose, nor for any business, use, or purpose deemed extra-hazardous, or which would void or make voidable any insurance coverage, nor for any purpose or in any manner which is in violation of any present or future governmental laws or regulations. Lessee shall not allow any odors, fumes, or vibrations on the leased premises, or any notice thereon which would cause disruption of normal activities on adjacent premises. To the extent permitted by law, the lessee shall indemnify lessors against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims, and demands, including reasonable attorney's fees, arising out of any violation of or default in this covenant by lessee.

7. Possession and Quiet Enjoyment. The lessee, upon payment of the rent herein reserved and upon the performance of all the terms of this lease, shall at all times during the lease term and during any extension or renewal term, peaceably and quietly possess and enjoy the Leased Property without any disturbance from lessors or from any other person claiming through lessors.

8. Maintenance, Repairs, Waste. Lessee shall be responsible for maintenance and repairs required to maintain the Leased Property at the sole cost and expense of lessee. Such maintenance and repairs shall be made promptly, as and when necessary. Lessee shall not allow or permit any waste of the leased premises, or any nuisance, and shall keep the leased grounds free from accumulations of trash or debris.

9. Indemnity. Lessors shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by lessee or by any person whosoever may at any time be using or occupying or visiting the demised premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of lessee or of any occupant, subtenant, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth, and to the extent permitted by law, lessee shall indemnify lessors against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage except for damages or losses arising by reason of the negligence or misconduct of lessors, their agents, or employees.

10. Taxes. Lessors shall be responsible for all real estate taxes assessed upon the Leased Property.

11. Utilities. Lessors shall not be required to furnish to lessee any facilities or services of any kind, such as, but not limited to, water, hot water, heat, gas, electricity, light and power.

12. Insurance. Lessee shall keep the property fully insured throughout the term of this lease against the following:

A. Casualty Loss. Loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available in amounts sufficient to prevent lessors or lessee from becoming a co-insurer within the terms of the applicable policies, and in any event in an amount not less than eighty percent of the then full insurable value.

B. Liability. Claims for personal injury or property damage under a policy of general public liability insurance, with such limits as may be reasonably requested by the lessors from time to time, but not less than \$1,000,000.00/\$5,000,000.00 in respect of bodily injury, and \$1,000,000.00 for property damage.

13. Right of Entry. The lessors and their representatives may enter the Leased Property at any reasonable time for the purpose of inspecting the Leased Property, performing any work which the lessors elect to undertake made necessary by reason of lessee's default under the terms of this lease, exhibiting the Leased Property for sale, lease, or mortgage financing, or posting notices of nonresponsibility under any mechanic's lien law; provided, however, that any such action by lessors shall not unreasonably interfere with the rights of lessee.

14. Miscellaneous Provisions. The paragraph captions contained in this lease agreement are for convenience only and shall not in any way limit or be deemed to construe or interpret the term or provisions hereof. Time is of the essence of this lease agreement and of all provisions herein. This lease agreement shall be construed and enforced in accordance with the laws of the State of Colorado. If any provisions of this lease agreement shall be declared invalid or unenforceable, the remainder of the lease agreement shall continue in full force and effect. This lease agreement contains the entire agreement between the parties, and any executory agreement hereafter made shall be ineffective to change modify, or discharge it in whole or in part, unless such executory agreement is in writing and signed by the party against whom the enforcement of the change, modification or discharge is sought.

15. Notices. Any notice from one party to another, required by the terms of this lease agreement, may be delivered in person to such party (delivery to one or two or more persons named as a party shall be effective notice to all), or shall be delivered by first class mail, postage prepaid, and shall be deemed given one day after the date mailed, addressed to the respective parties as follows:

LESSORS: Michael E. Halleck  
5704 WCR 22  
Longmont, Colorado 80504

LESSEE: Town of Frederick  
P.O. Box 435  
Frederick, CO 80530

16. Immunities Preserved. Nothing in this lease agreement shall be construed as a waiver of lessee's rights, immunities, privileges, monetary limitations on judgments, or defenses provided lessee under Colorado law, as a municipal corporation or as otherwise available to the lessee, its officers, agents, volunteers, or employees as a local government entity.

IN WITNESS WHEREOF, the parties have executed this lease agreement on the date set forth opposite their respective signatures.

LESSORS:

\_\_\_\_\_  
Michael E. Halleck

\_\_\_\_\_  
Susan S. Halleck

LESSEE:

TOWN OF FREDERICK

By \_\_\_\_\_  
Eric E. Doering, Mayor

ATTEST:

\_\_\_\_\_  
Nanette Fornof, Town Clerk

STATE OF COLORADO     )  
                                          ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by Michael E. Halleck and Susan S. Halleck.

My commission expires:  
Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

STATE OF COLORADO     )  
                                          ) ss.  
COUNTY OF WELD         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by Eric E. Doering and Nanette Fornof.

My commission expires:  
Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

# EXHIBIT A

LEASED PROPERTY  
LOTS 5 & 6, HALLECK SUBDIVISION, FREDERICK, COLORADO

